

Metrics for Enterprise Transformation



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Research Contribution:

The development of an empirically-validated set of leading and lagging metrics that provides insights on enterprise transformation.

Publications:

Valerdi, R., Nightingale, D., and Blackburn, C., "Enterprises as Systems: Context, Boundaries, and Practical Implications," *6th Annual Conference on Systems Engineering Research*, Los Angeles, CA, April 2008.

Blackburn, C., and Valerdi, R., "Measuring Systems Engineering Success: Insights from Baseball," *18th Annual International Symposium of INCOSE*, the Netherlands, June 2008.

How is Transformation defined in your organization?

- "To change the process, culture, organizational mindset, and values to improve the work output and value to the customer."
- "A radical shift in individual and organizational behavior that is driven by an urgent need to change (or reposition) an organization for breakthrough performance or competitive advantage."

What indicates that a transformation has been complete?

- "There is never a moment when an organization is 'transformed,' per se; however, an organization will see signs of improvement when a transcendent shift in organizational behavior begins to manifest itself in a significant increase in customer and stakeholder/shareholder satisfaction."

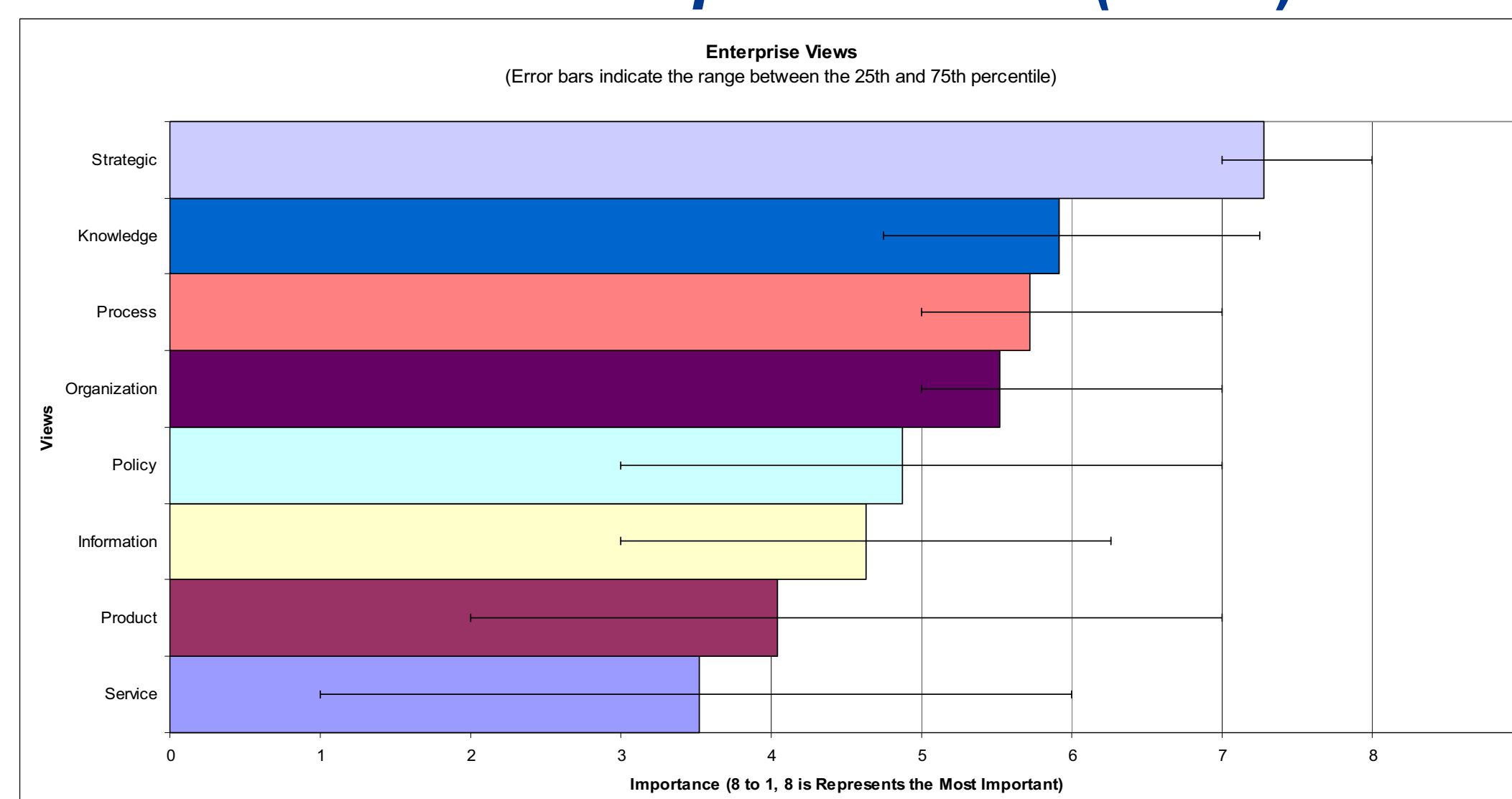
How does your enterprise measure its transformation progress?

- "Too vaguely, sporadically, inconsistently. That said, we tend to break our measurements into small pieces (like good Systems Engineers) and never re-integrate back into a big picture."
- "There are strategic level (enterprise) metrics at the top, then lower level metrics. However, these metrics have no target goals and they don't align well at all."

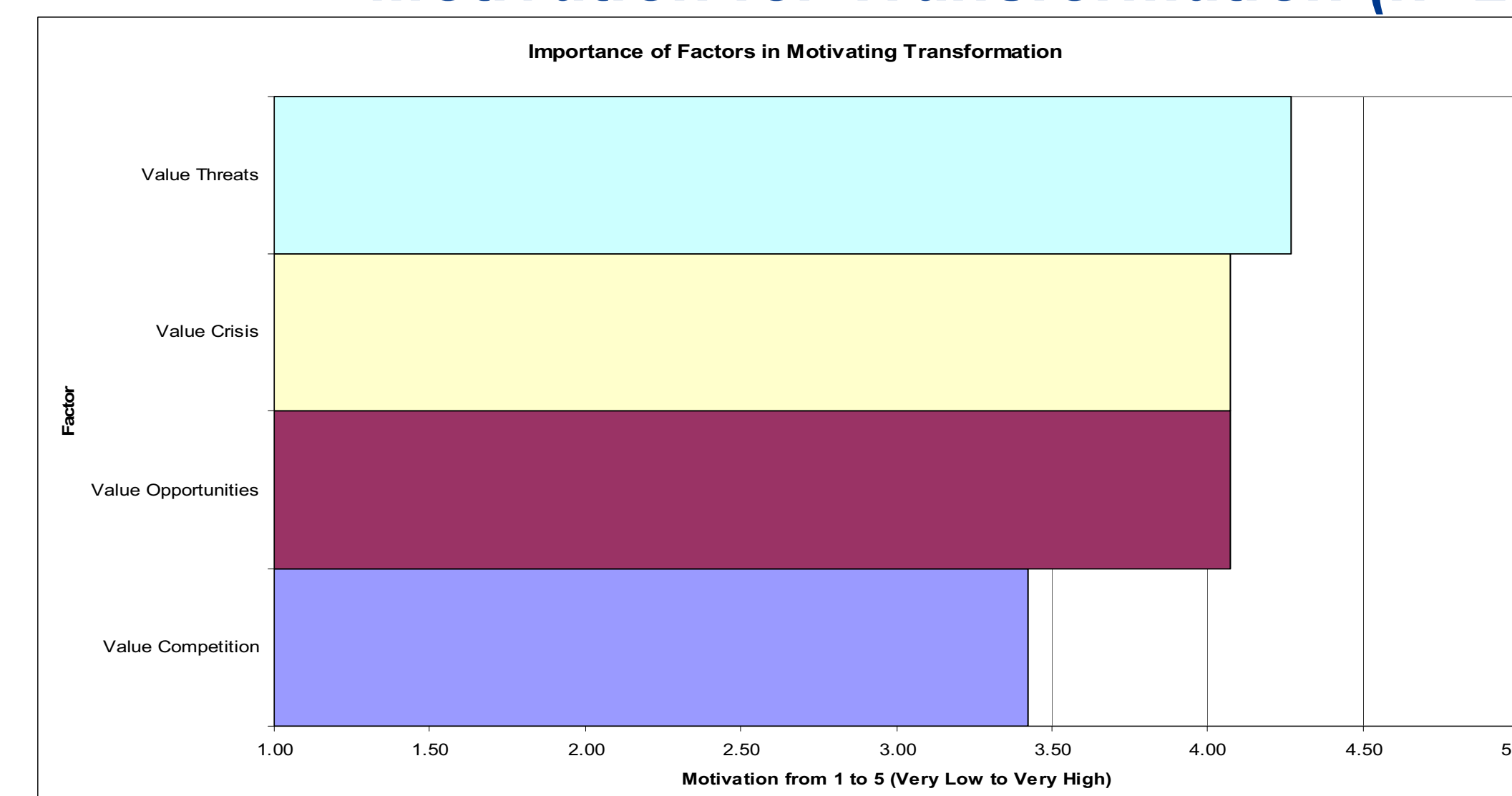
Good leading/lagging indicators of enterprise transformation success/failure?

- LEADING:** "Leadership involvement, employee understanding and buy-in, linking compensation to organizational goals and objectives."
- LAGGING:** "Customer satisfaction, profitability. These tell you the value streams are operating 'well.'"

Prioritization of Enterprise Views (n=27)



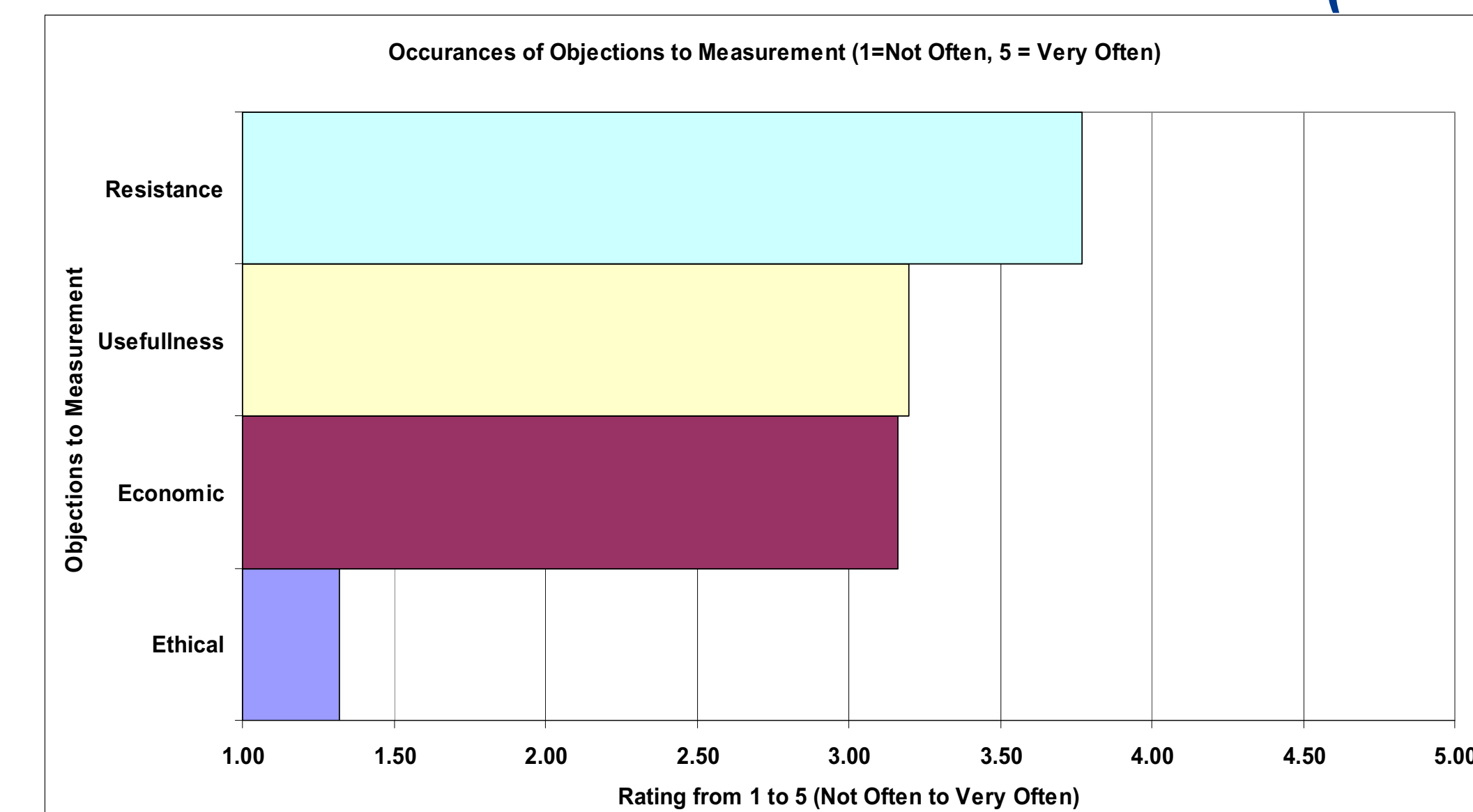
Motivation for Transformation (n=25)



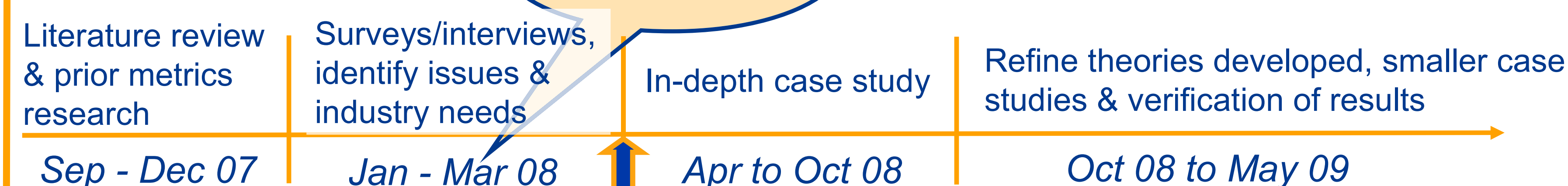
Success rate of enterprise transformations (n=20)



Sources of resistance to measurement (n=25)



Research Timeline



On average, the measurement community measures transformation **3 times/month** & wants to measure **8 times/month** (n=26)

Expected Benefits to Industry

- Metrics that provide leading and lagging information for enterprise transformations
- Analysis of relationships between enablers and barriers to measuring transformation within an enterprise
 - Culture & Organizational Inertia
 - Leadership & Management Support
 - Knowledge
 - Total Employee Involvement
- Identification of best practices and heuristics for analyzing socio-technical systems
- Cost/Benefit analysis for implementing measurement frameworks

Research Methodology

- ☒ **Phase I:** Literature review and prior metrics research
- ☒ **Phase II:** Pilot survey/interviews, second hand case studies, and identification of industry needs
- ☐ **Phase III:** One in-depth case study
- ☐ **Phase IV:** Survey administration & development/refinement of hypotheses and theories

Interested In Participating?

Would your organization be willing to host a case study? I am looking for organizations wishing to better understand their transformation journey from an enterprise measurement perspective.